

RAILCAR, Ltd.
Suite 455
1819 Peachtree Road, N.E.
Atlanta, Georgia 30309-1847

(404) 352-6799
Fax (404) 352-6798

RECORDATION NO. 22483 FILED

OCT 19 '99

3:00PM

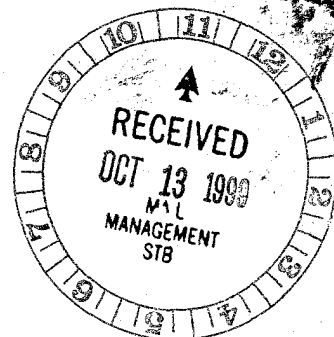
OCT 19 '99

3:00

RAILCAR

October 12, 1999

Secretary's Office
Surface Transportation Board
1925 K Street, NW, Suite 700
Washington, D.C. 20423-0001
Attention: Recordation Unit- Ms. Taledia Stokes



RE: Railcar, LTD. and Lancaster & Chester Railway Company

Dear Ms. Stokes:

On behalf of Railcar, LTD., I am enclosing for recording an original and two counterparts of a primary document, not previously recorded entitled: "Memorandum of Lease" dated as of July 1, 1999. Also enclosed is a check for \$26 payable to the "Surface Transportation Board."

The names and addresses of the parties is as follows:

Railcar, LTD. (LESSOR)
1819 Peachtree Road, N.E., Suite 455
Atlanta, Georgia 30309-1847
Attn: Mr. Paul H. Kennedy

Lancaster & Chester Railway Company (LESSEE)
P.O. Box 1450
Lancaster, SC 29721
Attn: Mr. Norman Causey

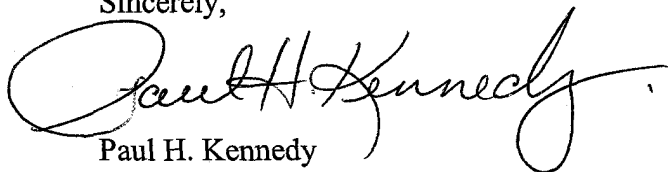
The equipment covered by the document is more fully described in the Description of Railcar schedules, which are enclosed.

A short summary of the document to appear in the index is as follows: "Lease Agreement between Railcar, LTD. 1819 Peachtree Road, N.E., Suite 455 Atlanta, Georgia 30309-1847, as Lessor, and Lancaster & Chester Railway Company, P.O. Box 1450, Lancaster, SC 29721, as Lessee, dated July 1, 1999, and covering all cars described in the Description of Railcar schedules as filed with the STB."

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Once the document has been recorded, please return to me (at the address on the letterhead above) the stamped original and any extra counterparts not needed by the STB.

Sincerely,

A handwritten signature in cursive script, reading "Paul H. Kennedy". The signature is written in dark ink and is positioned above the printed name and title.

Paul H. Kennedy
Vice President of Administration

RECORD

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MEMORANDUM OF LEASE

1. Pursuant to the Master Lease Agreement dated as of July 1, 1999, and the related Schedule No. 1 dated as of July 1, 1999 (collectively, the "Lease Agreement"), between Railcar, Ltd. ("Lessor"), as lessor, and Lancaster & Chester Railway Company, ("Lessee"), as lessee, Lessor has leased to Lessee the railroad cars identified on the exhibit attached hereto and entitled "Description of Railcars" (the "Cars"). Said lease of the Cars is referred to hereinafter as the "Lease."

2. The addresses of the parties are as follows:

Railcar, Ltd.
1819 Peachtree Road, N.E., Suite 455
Atlanta, Georgia 30309-1847

Lancaster & Chester Railway Company
P.O. Box 1450
Lancaster, SC 29721

3. The term of the Lease has already commenced and is scheduled to end on July 31, 2004 subject to an automatic extension for additional one year terms.

4. The terms and provisions of the Lease are more particularly set forth in the Lease Agreement.

5. This Memorandum may be signed in counterpart or duplicate copies, and any signed counterpart or duplicate copy shall be equivalent to a signed original for all purposes.

[Execution on Next Page]

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed as of July 1, 1999.

RAILCAR, LTD.

BY: Paul H. Kennedy

Name: Paul H. Kennedy.

Title: Vice President of Administration

State of Georgia, County of Fulton

On October 11, 1999, before me personally appeared Paul H. Kennedy, to me personally known, who being by me duly sworn says that he is the Vice President of Administration of Railcar, Ltd., and that he executed the foregoing instrument on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Jay J. Hardin
Notary Public
My commission expires:
Notary Public, Coweta County, Georgia
My Commission Expires April 2, 2002
[NOTARIAL SEAL]

[Execution continued on next page; remainder of this page intentionally left blank]

LANCASTER & CHESTER RAILWAY COMPANY.

By: Norman Causey

Name: NORMAN CAUSEY

Title: VP

State of SC, County of Lancaster

On October 8, 1999, before me personally appeared Norman Causey, to me personally known, who being by me duly sworn says that he is Vice President of Lancaster & Chester Rwy. Co., and that he executed the foregoing instrument on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Ralph E. Montoya

Notary Public

My commission expires:

My Commission Expires
November 16, 2003

[NOTARIAL SEAL]

Description of Railcars

Lessee: Lancaster & Chester Railway Company.

Number of Cars in Lease: Twenty-five (25).

Description of Cars: 50 foot, 70-ton Boxcars.

Car Marks and Numbers:

SLGG 11000 through SLGG 11024 inclusively.